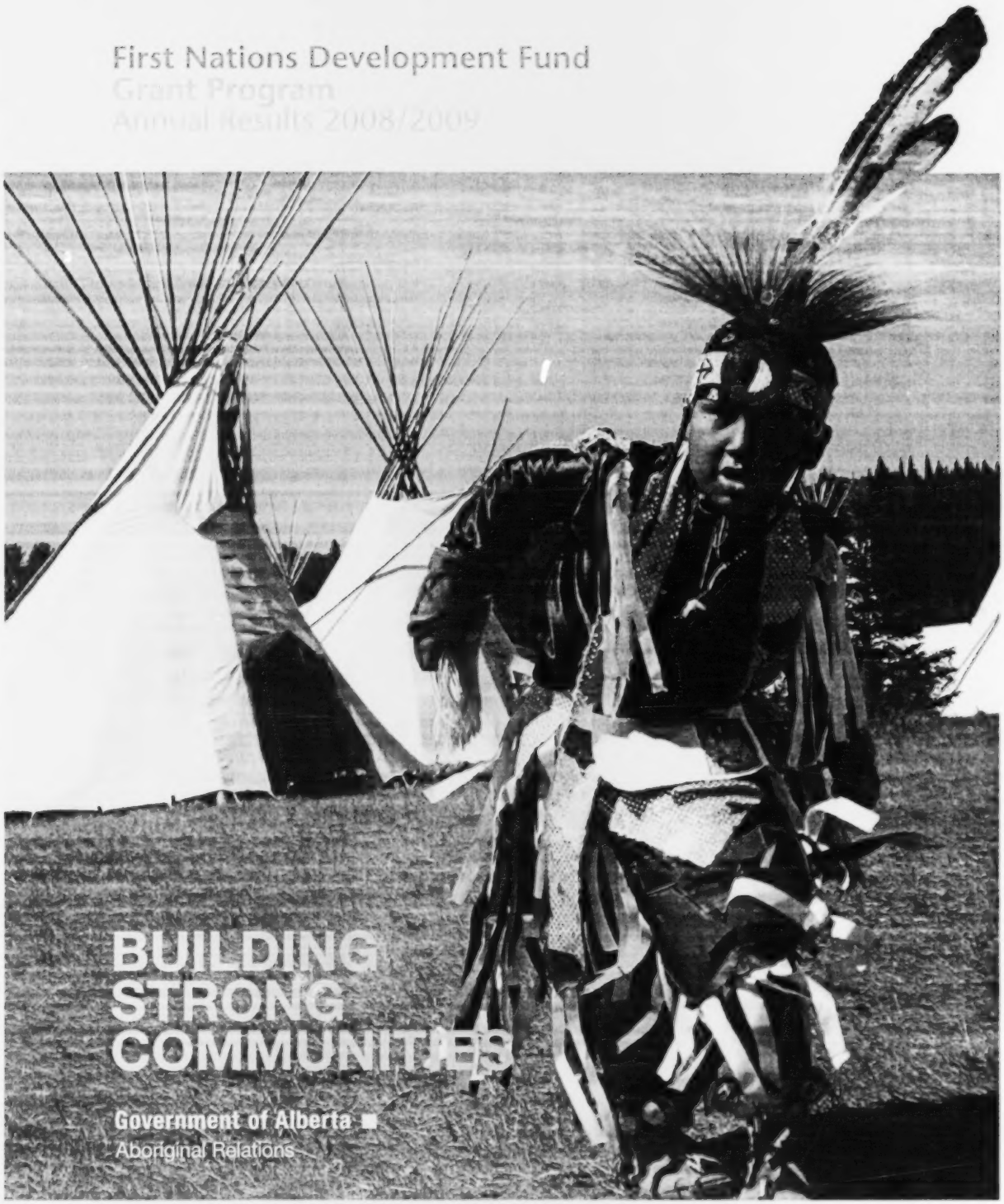
First Nations Development Fund
Grant Program
Annual Results 2008/2009



Government of Alberta ■
Aboriginal Relations

BUILDING STRONG COMMUNITIES

Strong, vibrant First Nation people and communities are an essential part of our province's future. Through its support of social, economic and community development projects, the First Nations Development Fund (FNDF) Grant Program is helping to make a positive difference in the lives of First Nations people across Alberta.

First Nations that access the fund set their own priorities and oversee implementation of the projects, thus ensuring that funded projects reflect the specific needs and interests of individual communities. Since the FNDF Grant Program first began allocating funds in 2006-2007, the results have been encouraging. While this report highlights three specific "success stories," there are over 200 other good examples from First Nation communities throughout Alberta. Examples of development projects funded under the Grant Program include community halls, books for schools, and daycare facilities.

The FNDF Grant Program will continue to be an important tool for supporting social, economic and community development in Alberta First Nations. I look forward to more successes and am committed to continuing to administer the Program in an open and transparent manner that recognizes the long-standing collaborative relationship between the Government of Alberta and First Nations.

Gene Zwozdesky

Honourable Gene Zwozdesky
Minister, Alberta Aboriginal Relations
Deputy Government House Leader

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The First Nations Development Fund (FNDF) Grant Program is available to First Nation band councils in Alberta, and supports the well-being and self-reliance of First Nations communities through the funding of economic, social and community development projects.

History of the Fund

The Government of Alberta's First Nations Gaming Policy includes a provision for the allocation of proceeds from government-owned slot machines in First Nation casinos to the FNDF Grant Program. This provision is set out fully in an agreement between the Government of Alberta and First Nations of Alberta: the First Nations Development Fund Grant Agreement of 2004. The story of the FNDF Grant Program is one of working together to achieve a growing potential.

2001: The Beginning

In 2000, during its Gaming Licensing Policy review, the Alberta government introduced the First Nations Gaming Policy, based on Alberta's unique charitable gaming model. The Policy received strong support from First Nations. First Nation casinos would be located on reserve land, regulated by the Alberta Gaming and Liquor Commission, and operate under the same terms and conditions as off-reserve casinos. The Alberta government gave approval to the Policy in January 2001.

The Policy also set out the broad parameters for the FNDF Grant Program. A working committee, representing First Nations and the Government of Alberta, developed an agreement on the FNDF Grant Program. This Agreement would provide 40 per cent of the net slot machine proceeds from all First Nation casinos for projects to advance social, community and economic development.

2004: The Agreement

Once the First Nations and Government of Alberta reached an agreement on how the FNDF Grant Program should operate, a single agreement template was negotiated, and signed by each First Nation. However, there were no First Nation casinos operating in 2005; therefore, no funding was available through the program during that fiscal year.

2006: Growth

In December 2006, the FNDF Grant Program was transferred from the Ministry of Gaming to the Ministry of Tourism, Parks, Recreation and Culture. In October 2006, Enoch Cree Nation opened the River Cree Resort and Casino, the first of five First Nation casinos, which marked the beginning of revenue to the FNDF Grant Program.

STRONG
COMMUNITIES

History of the Fund (cont'd)

2008: Alignment with Aboriginal Relations

Administration of the FNDF Grant Program transferred from the Ministry of Tourism, Parks, Recreation and Culture to the Ministry of Aboriginal Relations, reflecting Premier Stelmach's commitment to the development of First Nation communities.

The move better serves First Nations since Aboriginal Relations offers other programs and services that can be supported by the FNDF Grant Program, such as the First Nations Economic Partnerships Initiative (FNEPI).

2009: Continued Growth

There are currently five First Nation casinos; and revenues are expected to be about $110 million in the 2009/2010 fiscal year. If this projection is reached, it is estimated that every First Nation may be allocated a minimum of $330,000. This is a significant contribution toward helping create strong and vibrant First Nation communities.

The five First Nation casinos in operation in Alberta are:

- River Cree Resort and Casino at Enoch Cree Nation
- Grey Eagle Casino at Tsuu T'ina Nation
- Eagle River Casino at Alexis First Nation
- Casino Dene at Cold Lake First Nation
- Stoney Nakoda Resort at Stoney Nakoda First Nation

Aboriginal Relations is also assuming the audit function for the FNDF grants, thus adding three more staff to the five already dedicated to the program. The audits will support the accountability and transparency of the grants, by assessing the financial compliance of grants to the FNDF Grant Agreement, and will ensure that the funds are utilized only on approved projects. The auditors are also available to assist and advise First Nations on how to meet financial compliance requirements.

CREATING
FIRST NATION
OPPORTUNITIES

How the FNDF Grant Program Works: the Agreement

In order to receive funding from the FNDF Grant Program, First Nations sign an FNDF Grant Agreement.

The formulas for sharing

The FNDF Grant Agreement includes formulas for sharing the grant funding among all Alberta First Nations and covering administration costs from the FNDF Grant Program, as illustrated on page 9:

- The FNDF Grant Program receives 40 per cent of the revenue from government-owned slot machines in First Nation casinos in Alberta.
- Of this 40 per cent, 75 per cent is available to the five host First Nations who have casinos, and 25 percent is shared among the other First Nations in Alberta.
- Of this 25 per cent, half is divided equally among 40 First Nations; and the other half is divided according to First Nation population figures.

Quarterly payments

Once the slot machine revenues have been verified by the Alberta Gaming and Liquor Commission, FNDF Grant Program funds are allocated quarterly (approximately July, October, January, and April). Quarterly payments, rather than monthly ones, keep administrative costs down, freeing up more money for First Nations projects.

Accountability

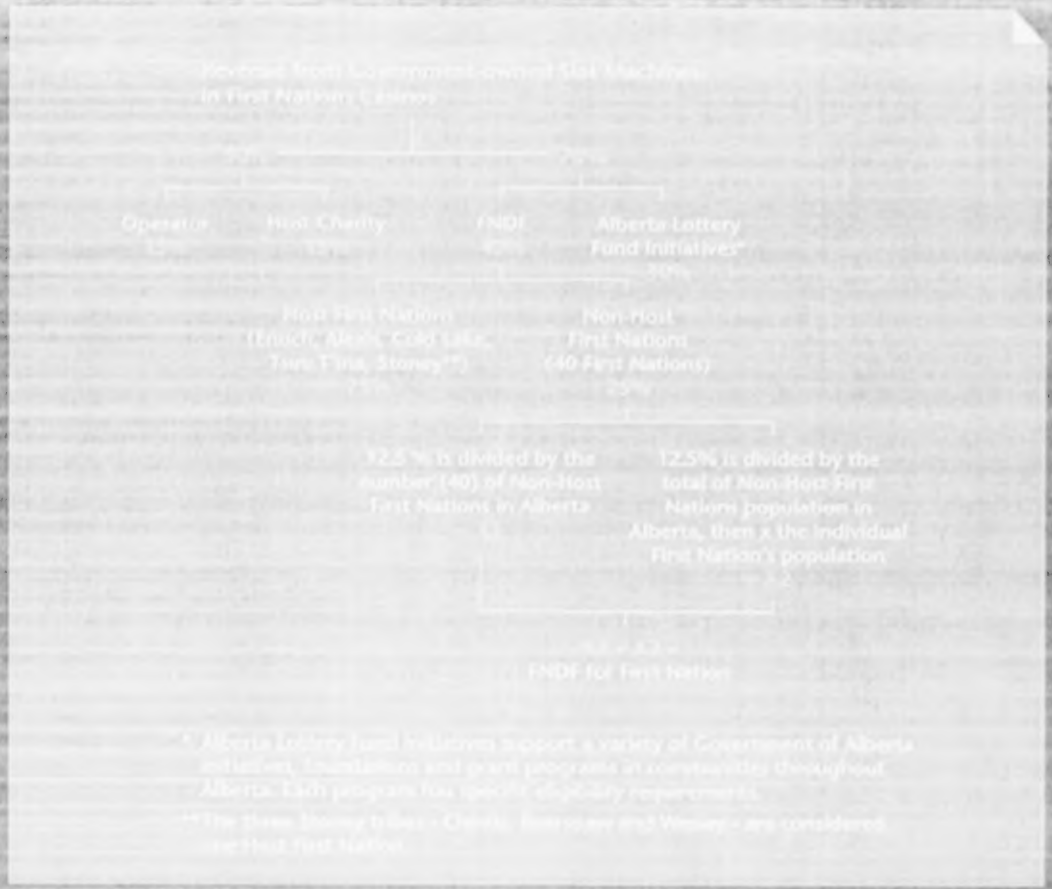
The FNDF Grant Agreement also includes measures to protect the accountability of the program:

- FNDF grants can only be used by First Nations for economic, social and community development projects.
- FNDF grants cannot be used for operating or financing costs of a casino or other gaming facility/equipment, or for per capita distributions, or for security against loans or debt.
- Every grant application must include a Band Council Resolution.
- The use of FNDF grants must be reported annually by the First Nations.
- The Government of Alberta or the Auditor General of Alberta has the ability to conduct audits to ensure compliance with the Agreement and First Nations Gaming Policy.
- The Government of Alberta has the ability to suspend the Agreement and discontinue FNDF grants for non-compliance.
- While the Minister retains power for final decision-making, there is a process for dispute resolution.

NO RULE CHANGES

Aboriginal Relations is now administering the FNDF Grant Program; however, the eligibility criteria remain the same. The process was established by the 2004 FNDF Grant Agreement and cannot be changed without the agreement of First Nations.

Allocation Formula for FNDF Grant Funding


Operator
Host Charity
FNDF
Alberta Lottery Fund Initiatives*
30%
Host First Nations
(Enoch, Alexis, Cold Lake, Tsuu T'ina, Stoney**)
Non-Host First Nations
(40 First Nations)
12.5% is divided by the number (40) of Non-Host First Nations in Alberta
12.5% is divided by the total of Non-Host First Nations population in Alberta, then x the individual First Nation's population
FNDF for First Nation

Performance of the Fund in 2008/2009

The FNDF Grant Program paid over $101 million to First Nations in 2008/2009 for approximately 212 development projects*, such as community halls, arenas, books for schools, and daycare facilities, all advancing First Nations' social, community and economic development.

100% approval

To date, the FNDF Grant Program has never refused an application. To ensure that applications are consistent with the FNDF Grant Agreement, Aboriginal Relations has, at times, requested additional information to describe the project, and clarify eligibility as a social, community, or economic development project.

Low administration costs

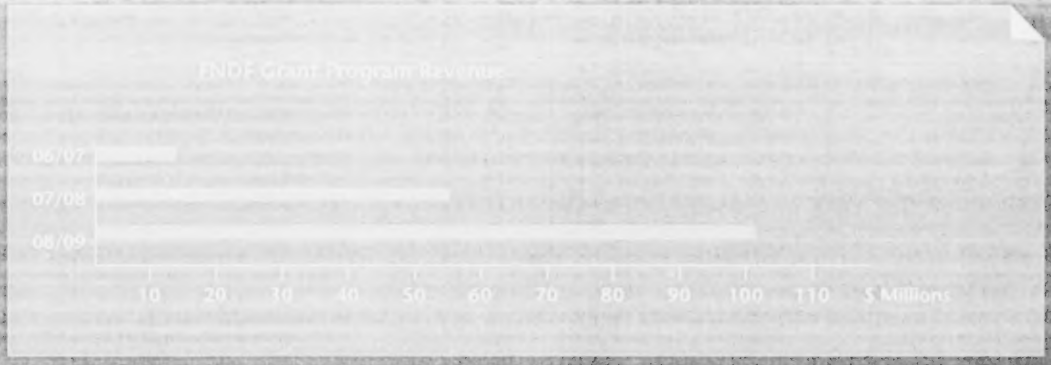
In 2008/2009, approximately $340,000 in administrative expenses were charged to the FNDF Grant Program, representing less than half a per cent (0.33 per cent) of the total FNDF Grant Program funds. This includes salaries, benefits, travel, and any special supplies for the FNDF Grant Program staff members. The Government of Alberta absorbs other costs in the administration of the FNDF Grant Program, including daily office supplies, office space, utilities, and senior management and Ministerial oversight. Over 99 per cent of the funding went directly to First Nation development projects.

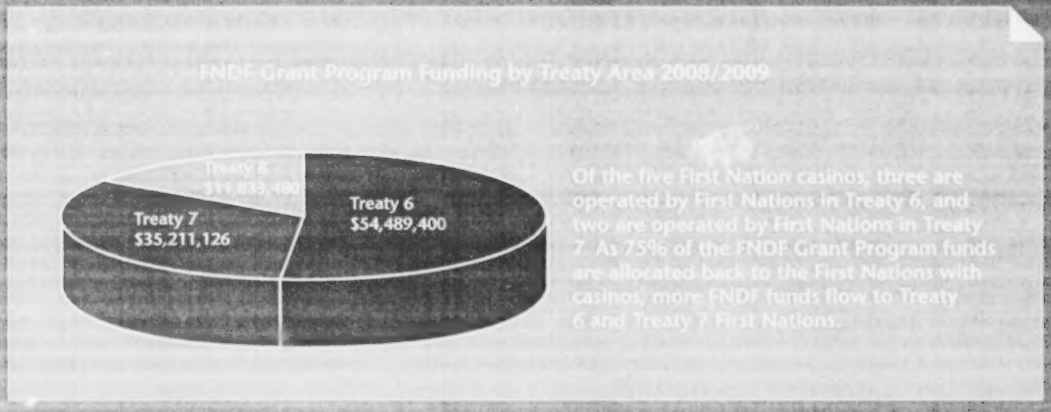
With the FNDF Grant Program projected at $110 million in 2009/2010, administration costs are estimated to remain below one per cent. The increase in costs from 2008/2009 to 2009/2010 is largely due to implementation of the auditing function, which will add three staff members, as well as the costs of upgrading or replacing an FNDF grant financial management system.

Improved timing of year-end payments

Aboriginal Relations has responded to concerns about the timing of the final quarterly payment of the year, normally paid in early May. This payment regularly takes longer, as unused funds at the year-end are reallocated to eligible First Nations. Aboriginal Relations has improved the process so that this payment is issued sooner, followed by a second payment of the reallocated funds to eligible First Nations. In 2008/2009, the final payment was processed for all First Nations by April 23, 2009.

*For a complete listing of FNDF grants, visit www.aboriginal.alberta.ca.





Of the five First Nation casinos, three are operated by First Nations in Treaty 6, and two are operated by First Nations in Treaty 7. As 75% of the FNDF Grant Program funds are allocated back to the First Nations with casinos, more FNDF funds flow to Treaty 6 and Treaty 7 First Nations.

Treaty 6 – Signed in 1876. Covers central Alberta and Saskatchewan and includes 17 Alberta First Nations.

Treaty 7 – Signed in 1877. Covers southern Alberta and includes 7 Alberta First Nations.

Treaty 8 – Signed in 1899. Covers portions of northern Alberta, BC, Saskatchewan and NWT and includes 23 Alberta First Nations.

Success Story:

Ermineskin Tribe Youth Development

The FNDF Grant Program supports four programs for youth in the Ermineskin Tribe, which is located 90 kilometres south of Edmonton and has approximately 3,800 members:

- The Youth Sport Development Program provides financial support to youth and their families participating in the Alberta Treaty Cup hockey tournament.
- The Youth Art Program allows community resource people and other professional artists to offer a series of courses and workshops—in both traditional and contemporary art—in the core townsite area over the summer break.
- The Hobbema Community Cadet Corps develops leadership skills in youth by focusing on First Nations culture, language, education, sports, and healthy lifestyles. The Cadets are involved in mentoring, role modeling and fostering positive attitudes throughout their communities. The Hobbema Community Cadet Corps is the world's largest Aboriginal Community Cadet Corps Program, with over 1000 members.
- The Neyakweyahk Youth Leadership Program helps Ermineskin youth gain well-being in the four areas of Native Wellness—spiritual, emotional, mental and physical. Cultural teachers and advisors deliver a series of information sessions to students on a variety of topics, including nationhood, career discovery, self-esteem and leadership.

CADETS LEARN TO VALUE THEIR CULTURE

The FNDF Grant Program helped to host the International Jamaican Cadet exchange in August 2009. The exchange continued an effort started in spring 2009 when a group of 20 cadets from Hobbema visited Spanish Town, a half hour outside Kingston, Jamaica. They went to learn how schools are trying to keep students out of gangs.

The Jamaican cadets pointed to their culture and language as the means to protect themselves from negative influences.

Captain Trent Young of the Hobbema Community Cadet Corps, in Spanish Town, Jamaica.

Hobbema Community Cadet Corps in Jamaica, April 2009.

Success Story:
Driftpile First Nation Community Hall

Driftpile First Nation, located 66 kilometres west of Slave Lake, lost their community hall in a fire in 1976. The FNDF Grant Program has enabled its 2,300 members to again have a meeting place for cultural events, graduations, funerals, and even emergency evacuations. Complete with a stage and kitchen, the new structure can accommodate hundreds of people.

Its central location, pleasing pink tones and wheelchair accessibility make it particularly welcoming. "Everyone loves it," says, Sandee Willier, receptionist for the Band office.

So far, the biggest events in the hall have been the Mother's Day celebration and a birthday party for a Driftpile Elder, but it supports weekly events like guitar and vocal lessons as well. Since the grand opening in March 2009, the community hall has served to strengthen the community: "People are more prone to come out to events," asserts Ms. Willier.

Left to right: Councillor Terry Giroux, MLA Pearl Calahasen, Councillor Stan Isadore, Elder James Isadore, Chief Rose Laboucan and Honourable Gene Zwozdesky, Minister of Aboriginal Relations.

Its central location, pleasing pink tones and wheelchair accessibility make it particularly welcoming. "Everyone loves it," says, Sandee Willier, receptionist for the Band office.

Success Story:

Siksika Nation Planning Process

The Siksika Nation, with approximately 6,300 members, of whom 3,600 live on-reserve, is located one hour east of Calgary.

Through the FNDF Grant Program, the Siksika Nation is producing a comprehensive 15-year community master plan that will coordinate social, economic, and infrastructure development.

The overall goal of the planning process is to improve the quality of life of Siksika Nation members, according to Councillor Carlon Big Snake. "We want to make sure we have a quality of life that is equal or better to that experienced by other Canadians."

The master plan will incorporate business and operational plans for the First Nation and will be supported by professional development and training. An accountability framework, integrated management information system, and performance reporting processes will help the Siksika First Nation determine whether it is meeting its objectives.

FNDF Grant Program funding will also help to:

- develop a broadband communication network to connect all homes and businesses on the Siksika Nation
- purchase a modular building for an alternative storefront school
- develop a plan to eliminate vandalism and violence
- create a housing strategy
- engage local youth in a strategy to deal with youth-related issues
- develop a plan for an Elders centre

"The nice thing about this Fund is that the province allows First Nations to identify the projects that need funding," says Big Snake. "It's not a top-down approach—the province isn't telling us what to do with our money."

"The nice thing about this Fund is that the province allows First Nations to identify the projects that need funding," says Councillor Big Snake.

How to Apply for FNDF Grants

Recognized Alberta First Nation Band Councils are eligible to apply to the FNDF Grant Program. The criteria for participating in the fund were determined in consultation with First Nations in the province. Grant applications must include:

- completed and signed application
- detailed project description
- detailed project funding/budget information
- Band Council Resolution

Information, advice, and assistance on applying to the Fund and reporting on projects are available from the Director and two Liaison Officers with the FNDF Grant Program.

To obtain a copy of the application and FNDF Grant Program agreement, or for further assistance, contact:

Alberta Aboriginal Relations
13th Floor Commerce Place
10155 – 102 St.
Edmonton, Alberta T5J 4G8
Phone: 780-427-8407
Fax: 780-427-4019

For a complete listing of FNDF grants, visit www.aboriginal.alberta.ca.

To call toll-free from anywhere in Alberta, dial 310-0000.

ALBERTA ABORIGINAL RELATIONS

Alberta Aboriginal Relations works with Aboriginal communities and other partners to enhance social and economic opportunities for Aboriginal people in Alberta.

VISION

Strong and vibrant Aboriginal communities and people, fully participating in the opportunities of a prosperous and diverse Alberta.

MISSION

Oversee the development and alignment of Government of Alberta legislation, policies and initiatives that affect Aboriginal people and their rights, by building effective relationships with Aboriginal communities, industry and governments.

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For more information visit
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